SEMI-FULL COVERAGE MEDICAL AND HOSPITAL PLAN FIRST-VISIT DEDUCTIBLE

Oregon Physicians' Service

MEMBERSHIP IDENTIFICATION CARD

CERTIFICATE HOLDER

CERTIFICATE NUMBER	MONTH	DAY	YEAR
	EFFECTIVE DATE OF CERTIFICATE		

The insured person shown above is entitled to Medical, Surgical and Hospital services during such periods as dues are paid, subject to the provisions of the Semi-Full Coverage Medical and Hospital Service Plan.

W. C. Marshall
GENERAL MANAGER

SUMMARY OF BENEFITS

Medical services.
Hospitalization.
X-Ray services.
Laboratory examinations.
Ambulance.
Nursing.
Medicines for hospitalized cases.
Emergency care outside of Oregon.

SUMMARY OF EXCLUSIONS AND LIMITATIONS

Pre-existing conditions.
Chronic conditions that become active in the first six months of membership.
Pregnancy and childbirth.
Dental services.
Venereal disease.
Industrial accidents.
Mental disorders.
FIRST VISIT TO DOCTOR.

SEE REVERSE SIDE

OREGON PHYSICIANS' SERVICE

Special Medical and Hospital Coverage Certificate for Employed Individuals

WITNESSETH: That subject to all terms and conditions hereinafter set forth, which are hereby made a part of this certificate, OREGON PHYSICIANS' SERVICE, sometimes hereinafter called O.P.S., an Oregon Corporation, having offices situated at Salem, Portland and Medford, in the State of Oregon, hereby agrees to procure, and make available, at the expense of O.P.S., the hereinafter stipulated services to the person, specified hereinafter as a "member":

CERTIFICATE HOLDER

CERTIFICATE NUMBER	MONTH	DAY	YEAR
	EFFECTIVE DATE OF CERTIFICATE		

QUARTERLY DUES PAYMENT

AMOUNT		BEGINNING DATE		
DOLLARS	CENTS	MONTH	DAY	YEAR

Only an employed individual having a yearly net taxable income of $6,000 or less shall be eligible for coverage hereunder. This certificate shall be voided immediately and all benefits hereunder forfeited in the event that the subscriber's yearly net taxable income shall prove to be higher than $6,000. The application card pertaining to this certificate shall constitute a part hereof.

IN WITNESS WHEREOF, Oregon Physicians' Service has caused this certificate to be executed by its duly authorized agent.

OREGON PHYSICIANS' SERVICE

W. C. Marshall
General Manager

1. **MEDICAL AND SURGICAL SERVICES:** Except as otherwise provided in this contract, O.P.S. will bear the expense of necessary medical and surgical services required by the member entitled to the benefits of this contract, for illness or non-occupational injury, such services to be rendered by physicians or surgeons authorized by O.P.S. (hereinafter, for convenience, sometimes called physicians, surgeons or specialists cooperating with O.P.S.); who will render such services at their respective offices, or at hospitals approved by O.P.S., or at the member's home, or at the place of occurrence of an emergency illness or injury. Services elsewhere than at such physician's or surgeon's office will be procured only when the illness or injury of the member is such as to render him unable to travel to such physician's or surgeon's office. The member entitled to the benefits of this contract shall be allowed unrestricted choice from amongst available physicians and surgeons cooperating with O.P.S. for the treatment of illness or injury.

It is specifically agreed that the first call on or by a physician in each separate and distinct case of illness or injury shall be the private responsibility of the member and payment therefor shall be made privately by the member direct to the physician. O.P.S. shall bear no responsibility hereunder with reference to such first call in any case but shall provide all services specified in this contract for any coverable case beginning with the second call on, or by, a physician. However, such exclusion of O.P.S. responsibility for coverage of the first call, in other types of cases shall not apply in the treatment of coverable fractures and dislocations nor in the actual rendition of coverable major and minor surgical service.

For the purposes of this section, a "first call" shall be deemed to include the physical examination and/or treatment given at the time of the patient's first visit to the physician; but shall not include X-ray services, laboratory services, or special tests such as electrocardiograms or basal metabolism tests.

2. **EMERGENCY CARE:** If injury or illness shall occur within the State of Oregon to the member entitled to the benefits of this contract and the services of a physician or surgeon cooperating with O.P.S. shall not be available to him, then, and in that event, the member may obtain the services of the most conveniently available doctor of medicine licensed by the Oregon State Board of Medical Examiners, to render emergency services to the injured or ill member until such time as a physician or surgeon cooperating with O.P.S. can render such member his services, in which event the expense of such emergency services excepting for the first call as specified in Section 1, will be defrayed by O.P.S. to the extent of an amount equal to the established O.P.S. rates for such services. The member shall immediately notify O.P.S. of his requiring, and receiving, such emergency services. Failure so to notify O.P.S. shall relieve O.P.S. of all responsibility for the care of the member other than for actual emergency treatment. Such emergency treatment shall include surgical operation or extended hospital care only when specifically authorized by O.P.S.

3. **CARE OUTSIDE OF OREGON:** The member entitled to the benefits of this contract if injured or taken ill while out of the State of Oregon but within the continent of North America, and not elsewhere, shall be entitled to receive the services of a state-licensed doctor of medicine, and hospital services for serious cases, in the nearest city or town in which such services may be available, and the costs of such services shall be paid by O.P.S. excepting for the first call as specified in Section 1, to the extent of an amount equal to the established O.P.S. rates for such services. It shall be the duty of such injured or ill member to notify O.P.S. as soon as possible of his requiring, and receiving, such services. Failure on the part of such member to give such notice to O.P.S. shall relieve O.P.S. from all responsibility for the care of such member other than for actual emergency treatment. Such emergency treatment shall include surgical operation or extended hospital care only when specifically authorized by O.P.S.

4. **SPECIALISTS:** Services of specialists cooperating with O.P.S. will be procured on the recommendation of the attending physician or surgeon cooperating with O.P.S. Services of eye, ear, nose and throat specialists will be procured when required for the care of injury or disease of the eye, ear, nose or throat.

5. **MEDICINES FOR HOSPITALIZED CASES:** O.P.S. will procure all necessary medicines, medical and surgical supplies which may be used or prescribed by a physician or surgeon cooperating with O.P.S. in the treatment of the member while receiving necessary care in a general hospital approved by O.P.S. as stipulated in this contract. Serums and antitoxins, and the administering thereof, will be procured for the treatment and prevention, or the treatment or prevention, of virulent diseases, including pneumonia, diphtheria, typhoid fever, smallpox, erysipelas, tetanus, infantile paralysis, meningitis, scarlet fever, undulant fever, rabies, malaria fever and amoebic dysentery, in case the member will definitely have been exposed to, or will have contracted, the disease and if such use will constitute accepted therapy or prophylaxis.

6. **HOSPITAL SERVICES:** O.P.S. will bear the expense of hospital services and accommodations, when required for the treatment of the member, in general hospitals approved by O.P.S., and as will be authorized by O.P.S. Such hospital services will include ward accommodations, board, services of an hospital staff nurse, use of surgery, X-ray, laboratory, service, and medical and surgical attendance, to the extent hereinafter provided. Private rooms will be procured in cases of serious nature, which in the judgment of the attending physicians or surgeons cooperating with O.P.S., require quiet surroundings and special care. Should the injured or ill member not require special services, but desire a private room in such hospital, O.P.S. will pay such part of the cost of such private room as O.P.S. would be required to pay for ward service during the same period of time. O.P.S. shall not be liable to the member or to any other person, for its inability or failure to procure hospital ward accommodations or other hospital accommodations or other services or accommodations by reason of epidemic, disaster or other cause or condition beyond the control of O.P.S.

7. **AMBULANCE SERVICE:** O.P.S. will procure when necessary, ambulance service, or other appropriate transportation, for conveying the member, if seriously ill or injured, to the nearest general hospital approved by O.P.S., for hospital service in the event that ordinary transportation shall not be appropriate.

8. **SPECIAL NURSING:** Special nursing services will be procured by O.P.S. for a serious, hospitalized case when, in the judgment of the attending physician or surgeon cooperating with O.P.S., special nursing services will be required.

9. **X-RAY SERVICE:** X-ray service will be procured by O.P.S. in case of suspected fracture, and in other injury or medical cases, when use of X-ray shall be deemed advisable by the attending physician or surgeon cooperating with O.P.S.

10. **PHYSICAL THERAPY:** Physical therapy will be procured by O.P.S. when, in the judgment of the attending physician or surgeon cooperating with O.P.S., such treatment shall be indicated.

11. **REFRACTIONS:** Eye examinations and testing for eye glasses will be procured of eye specialists cooperating with O.P.S., provided that the member will have been subject to O.P.S. coverage continuously for three, or more, months before the occasion therefor shall arise, unless such service shall be necessary in the treatment of an acute illness or injury. Eye glasses will not be procured by O.P.S.

12. **MEDICAL, SURGICAL AND HOSPITAL COVERAGE:** This contract includes within its operation, and covers, and O.P.S.

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Form of Surgical, Limited Medical, and Hospital Coverage Plan

(m) The benefits of this contract do not apply to any injury or illness of any member caused by the negligence or wrongful act of any other person, except to the extent that if a member entitled to the benefits of this contract shall be injured, or shall suffer illness, because of the wrongful act or negligence of any other person and thereafter shall make all reasonable efforts to recover from such other person and anyone responsible or answerable for such other person's negligence or wrongful act, O.P.S. will procure for such member the benefits of this contract which cannot be made available out of funds reasonably recoverable from, or through, such other person. Such funds shall be deemed not reasonably recoverable from, or through, such other person if it shall reasonably appear that should an action therefor be prosecuted, and judgment therefor be obtained, against such other person and anyone responsible or answerable for such other person's negligence or wrongful act, execution on such judgment would be unavailing.

(n) Professional services of cooperating physicians and surgeons and twenty-four (24) hours hospitalization within the general limitations stipulated herein will be furnished for the removal of tonsils and/or adenoids for any member provided such member has been covered continuously hereunder for at least twelve (12) consecutive months immediately preceding the need for such service.

IV. PAYMENTS OF ENROLLMENT FEES AND DUES FOR SUBSCRIBING MEMBER OR MEMBERS AND SUBSCRIPTION REQUIREMENTS. In consideration of the agreements hereinabove set forth, to be kept and performed by O.P.S., the certificate holder or principal member hereunder, agrees to pay to O.P.S. the single enrollment fee stated below, and dues on an advance quarterly basis, with a grace period of ten days (10) at the start of each quarterly period, for the coverage of himself and/or participating family members, in accordance with the application card pertaining to this agreement and hereby made a part hereof, during the time this agreement shall remain in effect, as follows:

(a) Single enrollment fee to include one dollar ($1.00) for the certificate holder, or principal member, and/or fifty cents ($.50) each for the spouse and all children participating hereunder. The enrollment fee is payable only once for each continuous period of coverage.

(b) Dues of six dollars and seventy-five cents ($6.75) per quarter (three months) for the certificate holder, or principal member.

(c) Dues of six dollars ($6.00) per quarter for the spouse of the certificate holder.

(d) Dues of four dollars and five cents ($4.05) per quarter for the first child of the certificate holder.

(e) Dues of two dollars and twenty-five cents ($2.25) per quarter for the second child of the certificate holder.

(f) Dues of one dollar and fifty cents ($1.50) per quarter for the third child of the certificate holder.

(g) No additional dues for coverage of additional children of the certificate holder, if any, in excess of three.

(h) Any certificate holder or spouse eligible for coverage hereunder may enroll up to the age of sixty-five (65) years.

(i) Any unmarried child of the certificate holder shall participate hereunder providing the age of such child is not less than thirty (30) days or more than eighteen (18) years. Upon reaching the age of nineteen (19) years, or upon becoming married at a younger age, any previously participating child may apply for continuance of coverage in accordance with the regulations established by O.P.S.

(j) Coverage hereunder, and payments of registration fee and dues therefor, shall apply only to the certificate holder and/or the immediate family of the certificate holder who subscribes for this service. Such immediate family shall include the spouse and unmarried children not less than thirty (30) days or more than eighteen (18) years of age. Only the certificate holder, and/or the entire immediate family as a unit, including all eligible members shall be subject to coverage hereunder.

V. EFFECTIVE PERIOD AND TERMINATION PROVISIONS. It is understood and agreed by and between the parties hereto that this agreement shall remain in full force and effect for one year beginning with the effective date stated in the application card pertaining hereto. In the event that payment shall not be received in accordance with Section IV hereof, O.P.S. shall have the right to cancel this agreement at any time by rendering notice in writing of such cancellation, to be effective at the end of the period for which dues previously have been paid.

In the interests of making this contract service as satisfactory as possible for subscribing members at all times and of insuring the continued stability of the coverage plan from the cost standpoint, it is further agreed that O.P.S. shall have the right to change or amend any of the benefits and/or rates of dues provided herein to be effective as of the first day of any month by rendering written notice to the certificate holder concerning such revisions at least forty-five (45) days prior to the effective date of such revision. However, in such an event the certificate holder shall have the privilege of terminating this agreement effective on the first of the month date of proposed change by sending written notice of such termination to O.P.S. at least fifteen (15) days prior to such date. O.P.S. reserves the right to readjust, refund or bill additional dues hereunder, if such may be necessary in making the stipulations of this section effective.

While by its terms this agreement expires at the end of one year from the effective date stated on the application card pertaining hereto, it is agreed that unless one party to this agreement gives to the other, at least fifteen (15) days before the expiration of said period, written notice of its election that the agreement shall terminate at the said time, it will continue in full force and effect for the succeeding year and thereafter will continue in full force and effect from year to year unless at least fifteen days prior to the expiration of any contract year one party shall give to the other written notice of its election so to terminate.

OREGON PHYSICIANS' SERVICE

Surgical, Limited Medical and Hospital Service

CERTIFICATE

For employed individuals and/or families of employed individuals

This certificate provides specified coverage for: Major and minor operations; Medical service for Hospitalized sickness; Fractures and dislocations; Pre-Natal, obstetrical and post-Natal care; Services of specialists; Emergency services outside of Oregon; Comprehensive hospital services.

OREGON PHYSICIANS' SERVICE

1214 S.W. 6th Ave., Portland 4, Oregon
455 Ferry Street, Salem, Oregon
225 Medford Building, Medford, Oregon

SPONSORED AND APPROVED BY THE OREGON STATE MEDICAL SOCIETY

You Should Read Your Agreement

The summary on the reverse side of this identification card is not a contract, nor does it include all the provisions of the Service Certificate to which this card was attached. Each member's benefits are expressly subject to all additional provisions of the Service Certificate and to O.P.S. rules and regulations governing the rendering of medical and hospital services.

OREGON PHYSICIANS' SERVICE OFFICES

455 Ferry Street, Salem — 225 Medford Bldg., Medford — 1214 S.W. 6th Ave., Portland 4, Ore.

PRESENT THIS CARD TO THE DOCTOR ON YOUR FIRST VISIT, AND TO THE HOSPITAL UPON ADMITTANCE

In each instance the doctor or hospital will notify O.P.S. that medical or hospital service is being rendered. O.P.S. will verify the subscriber's status and his eligibility for service and acknowledge responsibility to the doctor and/or hospital.

The presentation of an identification card does not necessarily guarantee acceptance of liability by O.P.S.; nor can the doctor or hospital obligate the Service Plan. This can be done only by one of the O.P.S. offices.

The Service Plan cannot honor, except in emergencies, medical or hospital bills resulting from treatment by doctors other than staff physicians and surgeons. Be sure the doctor you select is on the O.P.S. list of cooperating physicians and surgeons. Lists are available at O.P.S. offices.

SURGICAL, LIMITED MEDICAL, AND HOSPITAL COVERAGE

OREGON PHYSICIANS' SERVICE

MEMBERSHIP IDENTIFICATION CARD

PRINCIPAL MEMBER OR CERTIFICATE HOLDER

CERTIFICATE NUMBER | MONTH | DAY | YEAR — EFFECTIVE DATE OF CERTIFICATE

The Insured persons listed hereon are entitled to Medical, Surgical, and Hospital services during such periods as dues are paid, subject to the provisions of the "Family Surgical, Limited Medical, and Hospital Service Plan".

W. C. Marshall
GENERAL MANAGER.

FAMILY MEMBERS COVERED

SUMMARY OF BENEFITS

Doctors' services for major and minor surgical procedures.
Doctors' services for sickness requiring hospitalization.
Doctors' services for fractures, dislocations and accidental injuries.
Hospitalization—21 days at full cost plus 90 days at one-half cost.
Allowances for medical and hospital bills in maternity cases.
Operations for removal of tonsils and adenoids after twelve months continuous membership.

SUMMARY OF EXCLUSIONS

Pre-existing conditions. Dental services.
Industrial accidents. Mental disorders.
Venereal disease.

SEE REVERSE SIDE

OREGON PHYSICIANS' SERVICE

Special Coverage Certificate for employed individuals and/or families of employed individuals (as specified herein).

WITNESSETH: That, subject to all terms and conditions hereinafter set forth, which are made a part of this certificate, Oregon Physicians' Service, sometimes hereinafter called O.P.S., an Oregon Corporation having offices situated at Salem, Portland and Medford, in the State of Oregon, and being licensed to conduct the business of an hospital association under the laws of the State of Oregon, hereby agrees to procure, and make available, at the expense of O.P.S., the hereinafter stipulated services to the following person or persons, specified hereinafter as "member" or "members":

ONLY SPECIFIED PERSONS ARE COVERED HEREUNDER

Principal Member or Certificate Holder Covered by This Certificate — YES / NO

PRINCIPAL MEMBER OR CERTIFICATE HOLDER

CERTIFICATE NUMBER | MONTH | DAY | YEAR — EFFECTIVE DATE OF CERTIFICATE

QUARTERLY DUES PAYMENT — AMOUNT: DOLLARS | CENTS — BEGINNING DATE: MONTH | DAY | YEAR

FAMILY MEMBERS COVERED

*Only an employed individual subscriber, and/or the family of such individual, having a yearly net taxable income of $6,000 or less shall be eligible for coverage hereunder. This certificate shall be voided immediately and all benefits hereunder forfeited in the event that any subscriber's yearly net taxable income shall prove to be higher than $6,000. The application card pertaining to this certificate shall constitute a part hereof.

IN WITNESS WHEREOF, Oregon Physicians' Service has caused this certificate to be executed by its duly authorized agent.

OREGON PHYSICIANS' SERVICE

W. C. Marshall
GENERAL MANAGER.

I. SURGICAL, LIMITED MEDICAL AND OBSTETRICAL CARE FOR MEMBER OR MEMBERS SHALL INCLUDE THE FOLLOWING SERVICES:

(a) Surgical service for major and minor operations involving cutting or incision, performed in or out of a hospital, shall be provided for the treatment of coverable illness or injury.

(b) Medical service for cases requiring hospitalization shall be provided for the treatment of coverable illness or injury during the period of coverable hospitalization.

(c) Treatment of fractures and dislocations, including X-rays in fracture and dislocation cases, shall be furnished at a physician's office or at a hospital.

(d) O.P.S. shall defray the cost of pre-natal, post-natal and obstetrical service rendered by a cooperating staff physician up to a maximum of fifty ($50.00) dollars in any coverable case. Such payment is intended as an "allowance" in the event that the total cost of professional pre-natal, post-natal and obstetrical services should exceed the above stipulated amount in any such case.

(e) The surgical and consultation services of O.P.S. cooperating staff specialists will be provided for any coverable case upon the recommendation of any attending staff physician and surgeon or by arrangement with O.P.S. Services of staff eye, ear, nose and throat specialists will be furnished when needed for coverable cases of the eye, ear, nose or throat. O.P.S. shall bear no liability with reference to travel or non-hospital subsistence expense involved in any case requiring services by specialists.

II. HOSPITAL CARE FOR MEMBER OR MEMBERS SHALL INCLUDE THE FOLLOWING SERVICES:

(a) Care in a room of three or more beds.
(b) Meals and dietary services.
(c) General nursing care.
(d) Use of operating rooms.
(e) Delivery room service in maternity cases.
(f) Anesthesia.
(g) Surgical and anesthetic supplies.
(h) Routine splints, casts and dressings.
(i) Routine laboratory examinations in hospitalized cases up to but not in excess of ten dollars ($10.00) per hospital admission.
(j) Diagnostic X-ray service for members confined to hospitals.
(k) Electrocardiograms and basal metabolism tests.
(l) Drugs and medications in hospitalized cases up to but not in excess of ten dollars ($10.00) per hospital admission.
(m) Maternity care up to sixty dollars ($60.00).
(n) Hospital emergency room care for accidental injuries.

III. SERVICE PREREQUISITES AND LIMITATIONS.

(a) In cases which require hospital care all stipulated services shall be furnished to a member only when said member is a duly registered bed patient in an approved general hospital and is under the care of a listed cooperating O.P.S. physician, surgeon or consulting specialist. In coverable cases which do not require hospital care all stipulated services shall be furnished to a member only when said member is under the care of a listed cooperating O.P.S. physician, surgeon or consulting specialist.

(b) In any case requiring hospitalization hereunder it shall be the duty of the member to notify promptly the hospital and the attending O.P.S. staff physician that he is covered under this agreement, and failure to select an O.P.S. cooperating physician or to notify either the hospital or physician concerning membership in O.P.S. shall be deemed conclusively to be a waiver of all benefits hereunder.

In any coverable case which does not require hospitalization it shall be the duty of the member to notify promptly the attending O.P.S. staff physician that he is covered under this agreement, and failure to select an O.P.S. cooperating physician or to notify the attending physician concerning membership in O.P.S. shall be deemed conclusively to be a waiver of all benefits hereunder.

(c) The obligation of O.P.S. to provide any of the hereinabove listed services from physicians, surgeons or consulting specialists for any coverable case of surgery, fracture or dislocation shall be limited to a period not to exceed six (6) months immediately following the date of original diagnosis of any such case and this limitation shall apply to any one coverable condition arising from a separate and distinct cause and shall include any and all related complications of such condition. The rendering of medical services hereunder for any other type of coverable case shall be confined to coverable periods of hospitalization, excepting as otherwise provided herein for obstetrical care.

The obligation of O.P.S. to provide hospital care, as defined hereinabove, is limited to a period not to exceed twenty-one (21) days for each particular physical disability arising from a separate and distinct cause. Hospital care will be provided only while a member is necessarily confined to a hospital as a registered bed patient for the treatment of a coverable condition under the care of an O.P.S. cooperating physician. Hospitalization shall not be furnished hereunder for a rest cure or for the purpose of diagnosis only.

(d) In conditions necessitating hospitalization beyond twenty-one (21) days, O.P.S. will pay or reimburse the costs of hospital care as defined above in an amount not to exceed fifty (50) per cent of such costs for a maximum period of not to exceed ninety (90) days immediately following said twenty-one (21) day period.

(e) A member traveling or temporarily outside of the State of Oregon is entitled to reimbursement for the expenses of coverable hospital care obtained outside of the State of Oregon up to a maximum of six dollars ($6.00) per day for a period not to exceed twenty-one (21) days in any coverable case. O.P.S. liability for emergency professional services coverable hereunder and obtained outside of the State of Oregon (other than hospital services) shall not exceed fifty dollars ($50.00) for any coverable case. Services hereunder are limited to the continent of North America.

In the event that coverable services stipulated hereunder should be obtained by a member of any Oregon hospital which may require payment therefor direct from the patient involved, then, and in that event, O.P.S. shall be responsible for reimbursement for such service costs up to a maximum of six ($6.00) dollars per day for a period not to exceed twenty-one (21) days for any coverable case.

(f) In addition to services specifically provided elsewhere herein, for certain cases, O.P.S. will defray the cost of hospital emergency room charges for the treatment of accidental injuries, provided the use of emergency room service occurs within twenty-four (24) hours following the time of accident.

(g) O.P.S. will defray the cost of pre-natal, post-natal and obstetrical professional service rendered by cooperating staff physicians, to the extent hereinafter specified in paragraph I (d), and will provide hospital care for childbirth to the extent stipulated in paragraph II (m), under the following conditions:

1. The member must be in a dues-paying two or more person family (including any member protected under another type of O.P.S. coverage) or must be a member protected under another type of O.P.S. coverage, and
2. The maximum liability for professional service to be provided by O.P.S. shall not exceed fifty dollars ($50.00) in cost in any twelve months' period, and
3. The maximum hospital service to be provided by O.P.S. shall not exceed sixty dollars ($60.00) in cost in any twelve months' period, and
4. The member requiring such services must have been a member in good standing for at least ten (10) consecutive months immediately preceding her need for such professional and/or hospital care.

(h) O.P.S. shall not be responsible or liable to any member if hospitalization is unavailable as a result of epidemic, public disaster or other causes or conditions beyond its control.

(i) The following services are expressly excluded and O.P.S. shall bear no liability concerning such services:

1. Services for injuries or diseases for which the member is entitled to receive disability benefits or compensation or care or rights of action under any Workmen's Compensation or Employers' Liability Law.
2. Extraction of teeth or other services incident to the treatment of diseases and injuries of the jaw and its dependent tissues which customarily are performed by dentists.
3. Services for preexisting conditions, conditions resulting from childbirth not coverable under this agreement, quarantinable diseases, tuberculosis, insanity, acute or chronic alcoholism, use of drugs or narcotics, venereal diseases, deformities, congenital physical defects, attempts at suicide and conditions resulting from criminal acts.

(j) The expressed written opinion of any O.P.S. cooperating physician attending any particular case shall be final with reference to the necessity for services stipulated hereunder for such case and also with reference to the status of such case regarding diagnosis, treatment or preexistence. However, O.P.S. reserves the right, at its option, to utilize the services of one or more specialists in the determination of the status of any case.

(k) Service rights or benefits stipulated hereunder are not transferable from any member to any other person.

(l) In the event that a member should desire to utilize hospital room service of a higher cost classification than that provided hereinabove, O.P.S. will bear the cost thereof up to the service level provided hereinabove.

181 IN THE DISTRICT COURT OF
THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Clackamas County Medical Society to Interrogatories

[Filed May 6, 1949]

Defendant Clackamas County Medical Society answers the interrogatories heretofore served upon it by plaintiff, as follows. In each instance the number preceding the answer corresponds to the number of the interrogatory to which such answer applies.

I.

None.

II.

None.

III.

Dr. E. H. McLean, Oregon City, Oregon, a member of defendant society, has served as an officer of OSMS and as a member of the council and house of delegates of OSMS since January 1, 1936. The period of service of Dr. McLean can be found in the minutes of Clackamas County Medical Society, or in the minutes of Oregon State Medical Society, and are not now within the knowledge of defendant.

182 IV.

Defendant believes that no member of defendant society has served as an officer of, or upon any board, committee or bureau of, AMA during the period specified in interrogatory 4. Except Dr. E. H. McLean, Oregon City, House of Delegates, 1947-9.

V.

None.

VI.

Defendant believes that no member of defendant society has ever attended any meeting of the National Conference on Medical Service.

VII.

Defendant believes that defendant society has not approved or disapproved any type of prepaid medical care or for the writing of prepaid medical care contracts, but if there has been any such approval or disapproval such facts will appear in the minutes of defendant society's meetings, now in possession of agents of plaintiff.

VIII.

There has only been one resignation, a doctor who changed his residence from Clackamas County.

IX.

No charges of violation of the code of ethics have ever been fled against any member of defendant society.

X.

No member has been expelled from defendant society.

XI.

No doctor residing in Clackamas County has ever been refused membership in defendant society.

XII.

None.

XIII.

Defendant does not know whether any doctors
183 practicing in Clackamas County during the period specified in interrogatory 13 who might not have been members of defendant society, were or were not on staffs of hospitals.

XIV.

There is no organizational relationship between defendant society and *Northwest Medicine.*

(a) None.

(b) Subscription to *Northwest Medicine* is not included with membership in defendant county society.

XV.

Defendant has published no medical magazine, bulletin or periodical.

CLACKAMAS COUNTY MEDICAL SOCIETY

By (Signed) W. Ross EATON
Secretary

(Duly sworn to by W. Ross Eaton, M. D. jurat omitted in printing.)

Due and legal service of the within Answer by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this 6th day of May, 1949.

HENRY L. HESS, UNITED STATES ATTORNEY

By (Signed) GERARD G. GALASSI
Of Attorneys for Plaintiff

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184 IN THE DISTRICT COURT OF THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Clatsop County Medical Society to Interrogatories

[Filed May 5, 1949]

Defendant Clatsop County Medical Society answers the interrogatories heretofore served upon it by plaintiff as follows. In each instance the number of the answer corresponds to the number of the interrogatory to which such answer applies:

I.

Defendant Society has had no grievance committee or board of censors during the period of time specified in Interrogatory Number I. Such information as defendant has with respect to other committees appears in the minutes of the Society, heretofore delivered to plaintiff's agents.

II.

All information regarding such committees as have operated within defendant Society within the period of time specified in Interrogatory Number II, including the names and addresses of the members, appears in the minutes of the Society which have been delivered to agents of the plaintiff.

III.

Lanceford M. Spalding, M.D. has served as an officer of O.S.M.S. and as a member of the council or house of delegates of O.S.M.S.; and Jon V. Straumfjord has served as a member of the council of O.S.M.S. The dates of service are not now known, but can be obtained from the
185 minutes of O.S.M.S.

IV.

None.

V.

Defendant has no information that any member of defendant Society ever served on National Physicians' Committee, nor has it ever been informed that National Physicians' Committee was sponsored by A.M.A.

VI.

According to the best information available to defendant, none of its members have ever attended any meetings of the National Conference on Medical Service.

VII.

Defendant Society has approved Industrial Hospital Association and National Hospital Association; and has disapproved none. The only information available to defendant with respect to other matters requested in Interrogatory Number VII will be found in the minutes of defendant Society.

VIII.

The only resignations from defendant Society have been because of removal from the county or retirement. Defendant does not have a list of the names of members so resigning.

IX.

No charges of violation of the code of ethics of defendant county Society have ever been filed against any member of defendant Society.

X.

No member has ever been expelled from defendant Society.

XI.

All applications for membership in defendant Society have been approved and membership granted.

XII.

At one time defendant Society had a fee schedule for its members. While it is believed that this schedule was
186 never officially repealed, it has long since become obsolete by gradual change in fees customarily charged. Any further information available to defendant on this subject is contained in the minutes of defendant.

XIII.

Defendant has no information as to whether during the period specified in the interrogatory there were any doctors practicing in Clatsop County who were not members of defendant county Society and were or were not on the staffs of Oregon hospitals.

XIV.

There is no organizational relationship between defendant Society and Northwest Medicine.

(a) J. V. Straumfjord, M.D., a member of defendant Society, is currently listed as a member of the Board of Trustees of Northwest Medicine.

(b) The dues of defendant Society are $2.00 per year and do not include a subscription to Northwest Medicine.

XV.

Defendant Society has not published any medical magazine, bulletin or periodical.

CLATSOP COUNTY MEDICAL SOCIETY

By .....
George W. Smiley, M.D.
Secretary

187 (*Duly sworn to by George W. Smiley, M.D. jurat omitted in printing.*)

Due and legal service of the within Answer of Defendant Clatsop County Medical Society, by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this 5th day of May, 1949.

(Signed) GERARD G. GALASSI
Of Attorneys for Plaintiff

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188 IN THE DISTRICT COURT OF THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Columbia County Medical Society to Interrogatories

[Filed May 6, 1949]

Defendant Columbia County Medical Society answers the interrogatories heretofore served upon it by plaintiff as follows. In each instance the number of the answer corresponds to the number of the interrogatory to which such answer applies.

I.

None.

II.

None.

III.

No member of this Society has served as an officer of O.S.M.S. Members who have served on the Council or House of Delegates of O.S.M.S. are as follows:

Dr. Wooden, Clatskanie; Dr. J. C. Barton, present residence, Riverside, California.

The period of service is not now known to this defendant, but it is believed that this information is in the minutes of O.S.M.S.

IV.

None.

V.

No members served on National Physicians Committee. None. This defendant has not heretofore been informed

that National Physicians Committee was sponsored by A.M.A.

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VI.

This defendant believes that none of its members ever attended any meetings of the National Conference on Medical Service. This defendant now has no knowledge or information of any prepaid medical care plan ever approved or disapproved by the defendant County Society; but such information as there may be available to this defendant is contained in its minutes which heretofore have been delivered to the agents of plaintiff.

VIII.

No doctors have ever resigned from defendant Society.

IX.

No charges of violation of the code of ethics of defendant Society have ever been made against any member of defendant Society.

X.

No member of defendant Society has ever been expelled from defendant Society.

XI.

No application for membership in defendant Society has ever been refused, but all applications have been granted.

XII.

None.

XIII.

Defendant knows of no such doctor.

XIV.

There is no organizational relationship between defendant Society and *Northwest Medicine*.

(a) None.

(b) Subscription to Northwest Medicine is not included with membership in defendant County Society.

XV.

Defendant has never published any medical maga-
190 zine, bulletin or periodical.

COLUMBIA COUNTY MEDICAL SOCIETY

By (Signed) J. B. STEWARD

J. B. Steward, M.D.
Secretary

*(Duly sworn to by J. B. Steward, M.D.
jurat omitted in printing.)*

Due and legal service of the within Answer of Defendant Columbia County Medical Society, by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this 6th day of May, 1949.

(Signed) GERARD G. GALASSI
Of Attorneys for Plaintiff

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191 IN THE DISTRICT COURT OF
THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Douglas County Medical Society to Interrogatories

[Filed May 5, 1949]

Defendant Douglas County Medical Society answers the interrogatories heretofore served upon it by plaintiff as follows. In each instance the number of the answer corresponds to the number of the interrogatory to which such answer applies:

I.

None.

II.

None.

III.

Dr. B. R. Shoemaker, Roseburg, Oregon.

IV.

None.

V.

None.

VI.

None.

VII.

None.

192 VIII.

Defendant knows of no such resignations.

IX.

Defendant believes that no such charges have ever been filed against any member of defendant society.

X.

None.

XI.

Defendant believes that no doctor who ever applied for membership in defendant was ever refused such membership.

XII.

None.

XIII.

Defendant believes that there has been no doctor practicing medicine in Douglas County during the period specified in the 13th interrogatory who was not a member of defendant society.

XIV.

There is no relationship between defendant society and *Northwest Medicine*, nor has there ever been.

(a) None.

(b) Subscription to *Northwest Medicine* is not included with membership in defendant society.

XV.

No medical magazine, bulletin or periodical has ever been published by defendant society.

DOUGLAS COUNTY MEDICAL SOCIETY

By (Signed) A. N. JOHNSON, M.D.
A. N. Johnson, M.D.
Secretary

193 (*Duly sworn to by A. No. Johnson, M.D. jurat omitted in printing.*)

Due and legal service, of the within Answer by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this 5th day of May, 1949.

HENRY L. HESS, UNITED STATES ATTORNEY

By (Signed) GERARD G. GALASSI
Of Attorneys for Plaintiff

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194 IN THE DISTRICT COURT OF THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Jackson County Medical Society to Interrogatories

[Filed May 10, 1949]

Defendant Jackson County Medical Society answers the interrogatories heretofore served upon it by plaintiff as follows. In each instance the number preceding the answer corresponds to the number of the interrogatory to which the answer applies:

I.

Defendant believes that the only committee which it has had during the period of time referred to in the interrogatory was a committee known as the Board of Censors. Whatever information defendant has with respect to this committee is contained in the minutes of defendant Society heretofore delivered to agent of plaintiff.

II.

Whatever information defendant has with respect to Interrogatory Number 2 will be found in the minutes of defendant Society.

III.

Dr. James C. Hayes, a member of defendant Society, has served as president of Oregon State Medical Society and

also as a member of the council of that Society. Dr. Edwin R. Durno has also served as a member of the council
195 of O.S.M.S. Each retiring president of defendant Society has been a delegate to the House of Delegates from this defendant Society to the O.S.M.S. Dr. L. D. Inskeep, a member of defendant Society, has been an alternate delegate to the House of Delegates of O.S.M.S. and in many instances has served as delegate. Dr. Charles C. Sweeney has also been president of O.S.M.S. and a member of the council. The exact dates and terms are not now known to defendant but appear in the minutes of Oregon State Medical Society. The address of each of said doctors is Medford, Oregon.

IV.

None.

V.

None.

VI.

Defendant knows of no member of defendant Society who has ever attended any meetings of the National Conference on Medical Service.

VII.

No plans or programs for the sale or furnishing of any type of prepaid medical care has ever been disapproved by defendant Society, and the names of any plans that have been approved appear in the minutes of defendant Society.

VIII.

There has been only one actual resignation from defendant Society during the period set forth in Interrogatory Number 8. Except as hereinafter set forth, separations from the Society have been by death only (members moving to another county have been continued as honorary members): two doctors were dropped from the rolls of defendant Society upon their licenses to practice medicine being revoked by Oregon State Board of Medical Examiners. One of them was later reinstated in defendant Society upon his license to practice medicine being reinstated by Oregon State Board of Medical Examiners. Later
196 he moved from Jackson County to Douglas County, submitted his resignation as a member of defendant Society and the resignation was accepted. The names of

the above two former members will be submitted if required.

IX.

As appears from the minutes of defendant Society, charges of violation of the code of ethics of defendant Society against a member of defendant Society were submitted to defendant Society by two members thereof. No action was taken upon these charges by defendant Society. There have been no other instances of such charges against any member of defendant Society.

X.

None, unless the instances referred to in Answer Number VIII are considered as expulsions from defendant Society.

XI.

A Dr. Soule—first name unknown and address unknown. He was not granted membership for the reason that he was not a resident of Jackson County.

XII.

If during the period specified in Interrogatory Number 12 any schedule of medical and surgical fees were adopted or recommended by defendant Society, the information with respect thereto appears in the minutes of defendant Society.

XIII.

None. With the exceptions hereinbefore stated, defendant believes that during the period of time specified in Interrogatory Number 13 all doctors engaged in the practice of medicine in Jackson County have been members of defendant Society.

XIV.

There is no organizational or other relationship between defendant Society and *Northwest Medicine*, nor has there been any at any time.

197 (a) None.

(b) Subscription to *Northwest Medicine* is not included with membership in defendant County Society.

XV.

Defendants has not published any medical magazine, bulletin or periodical.

JACKSON COUNTY MEDICAL SOCIETY

By (Signed) C. W. LEMERY, M.D.
Charles W. Lemery, M.D.,
Secretary.

*(Duly sworn to by C. W. Lemery, M.D.
jurat omitted in printing.)*

Due and legal service of the within Answer of Defendant Jackson County Medical Society, by receipt of a duly certified copy thereof, as required by law, is hereby accepted in Multnomah County, Oregon, on this 10th day of May, 1949.

(Signed) JOHN J. MULVEY
Attorneys for Plaintiff.

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198 IN THE DISTRICT COURT OF THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Lane County Medical Society to Interrogatories

[Filed May 10, 1949]

Defendant Lane County Medical Society answers the interrogatories served upon it by plaintiff as follows:

I.

All information which this defendant has with respect to interrogatory No. 1 is contained in the minutes of this society which have heretofore been turned over and delivered by the society to the investigative agents of the plaintiff with permission to make copies of any matters appearing in said minutes which said agents believe to be relevant in the above entitled action. This explanation also applies to many of the further interrogatories, in all of which it is stated that the information requested is contained in said minutes.

II.

All information which this defendant has with respect to interrogatory No. 2 can be found in the minutes of the society.

III.

All information which this defendant has with respect to interrogatory No. 3 can be found in the minutes of
199 the society. This defendant believes that further information on this subject appears in the minutes of the Oregon State Medical Society; and this defendant understands that defendant Oregon State Medical Society has also made its minutes available to the investigative agents of plaintiff.

IV.

All information which this defendant has with respect to interrogatory No. 4 can be found in the minutes of this society; and this defendant believes that further information on this subject is contained in the minutes of defendant Oregon State Medical Society.

V.

This defendant believes that no members of this defendant society ever served on the National Physicians' Committee; at least this defendant has no information on the subject. This defendant also understands and believes that National Physicians' Committee was not sponsored by AMA.

VI.

This defendant believes that no members of this defendant society ever attended meetings of the National Conference on Medical Service during any of the time referred to in interrogatory No. 6; at least this defendant has no information to that effect.

VII.

All information which this defendant may have with respect to interrogatory No. 7 is contained in the minutes of this society.

VIII.

Any information which this defendant may have with respect to interrogatory No. 8 is contained in the minutes

of this society; however this defendant states that no resignation of any doctor from defendant society was ever caused by, or had any connection with, any member's connection with any prepaid medical plan.

200

IX.

All information which this defendant has with respect to interrogatory No. 9 is contained in the minutes of the society. However this defendant believes that no formal charges of violation of the code of ethics have ever been submitted against a member of this society based upon any such member's connection or association with any plan of prepaid medical care.

X.

Any information which this defendant has with respect to interrogatory No. 10 is contained in the minutes of the society. However defendant states that no member of defendant society was ever expelled from said society by reason of any connection or association, directly or indirectly, with any prepaid medical care plan.

XI.

All information which this defendant has with respect to interrogatory No. 11 is contained in the minutes of this society.

XII.

At various times this society has approved schedules of fees promulgated by the Oregon Industrial Accident Commission and by other State and Federal commissions and officials; and any further information with respect to interrogatory No. 12, if there be any, is contained in the minutes of this society.

XIII.

This defendant does not have sufficient information to answer interrogatory No. 13. Such an answer would involve procuring from various hospitals in the county the names of doctors on their respective staffs from January 1, 1936, and comparing said lists of names with lists of names of members of this society. However this defendant does state, that according to its best information and belief, no doctor within Lane County has ever been denied membership on the staff of any

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Oregon Hospital by reason of his connection or association, directly or indirectly, with any prepaid medical plan.

XIV.

There is no organizational relationship between this defendant and *Northwest Medicine,* nor has there been during the period referred to in the interrogatory. This defendant does not have any information as to whether any of its members were ever officers, directors, trustees, editors or other officials of *Northwest Medicine,* but believes that such is not the case. Subscription to *Northwest Medicine* is not included with membership in defendant county society.

XV.

During the period referred to in interrogatory No. 15 this defendant has never published any medical magazine, bulletin or periodical.

LANE COUNTY MEDICAL SOCIETY

By (Signed) MARGARET TINGLE, Secretary
Margaret Tingle, M.D.

(Duly sworn to by Margaret Tingle, M.D.
jurat omitted in printing.)

202 Due and legal service of the within Answer by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this 10th day of May, 1949.

By (Signed) JOHN J. MULVEY
Of Attorneys of Plaintiff

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203 IN THE DISTRICT COURT OF
THE UNITED STATES

[TITLE OMITTED]

Answer of Defendant Marion-Polk Counties Medical Society to Interrogatories

Filed 5/ /49

Defendant Marion-Polk Counties Medical Society answers plaintiff's interogatories as follows. In each instance the number preceding the answer corresponds to the interrogatory to which such answer applies.

I.

Whatever information defendant has available to it with respect to interrogatory 1 is contained in the minutes of defendant society which have been delivered to agents of plaintiff.

II.

The only information which defendant has with respect to interrogatory number 2 is contained in the minutes of defendant.

III.

Dr. W. W. Baum, 2485 Center Street, Salem, Oregon, was President of OSMS from September 1941 to April 1942. Dr. B. A. Myers, Livesley Building, Salem, Oregon, was Vice-President of OSMS. His term of office may be ascertained from the minutes of OSMS. Dr. Vern Miller, 2475 Center Street, Salem, Oregon, was a member of the council of OSMS. His term as such member may be obtained from the minutes of OSMS.

Members of defendant society who served on the house of delegates may be obtained from the minutes of defendant society or of OSMS and are not now available to defendant. Generally these delegates included the President, Vice-President or President Elect, and Secretary, of defendant society.

204

IV.

Defendant knows of no members of defendant society who ever served as members of or upon any board, committee or bureau of AMA.

V.

None.

VI.

Defendant believes that none of its members ever attended any meeting of National Conference on Medical Service.

VII.

Whatever information defendant may have with respect to interrogatory number 7 is contained in the minutes of defendant society.

VIII.

Defendant believes that no member ever resigned from defendant society except on a change of residence to another county or state.

IX.

No charges of violation of the code of ethics of defendant county society have ever been made.

X.

No member of defendant society has been expelled.

XI.

None.

XII.

Whatever information defendant has on this subject is contained in the minutes of defendant society.

XIII.

The only doctors known to defendant practicing within Marion and Polk Counties who have not been members of defendant society are doctors employed by the Oregon State Hospital.

XIV.

There is no organizational relationship between defendant county society and *Northwest Medicine.*

(a) None.

(b) None.

205

XV.

Defendant society has never published any medical magazine, bulletin or periodical.

MARION-POLK COUNTIES MEDICAL SOCIETY

By WILLIAM C. CROTHERS, M.D.
Secretary

STATE OF OREGON,
COUNTY OF MARION, *ss.*:

I, WILLIAM C. CROTHERS, M.D., being first duly sworn, depose and say that I am Secretary of defendant Marion-Polk Counties Medical Society and make this verification

for and on its behalf; that I have read the foregoing Answer, know the contents thereof, and the same is true as I verily believe.

WILLIAM C. CROTHERS

Subscribed and sworn to before me this 5 day of May, 1949.

LEOTA MYERS
Notary Public for Oregon
My commission expires Nov. 6, 1951

(SEAL)

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206 IN THE DISTRICT COURT OF THE UNITED STATES

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Answer of Defendant Multnomah County Medical Society to Interrogatories

[Filed May 23, 1949]

Defendant Multnomah County Medical Society answers plaintiff's interrogatories as follows. In each instance the number preceding the answer corresponds to the interrogatory to which such answer applies.

I.

Whatever information defendant has available to it with respect to interrogatory number 1 is contained in the minutes or By-Laws of defendant society which have been delivered to agents of plaintiff.

II.

Defendant has not yet been able to gather the information required by interrogatory number 2. Defendant objects to answering this interrogatory on the ground that obtaining this information would be too burdensome and expensive and that the information is irrelevant and immaterial to any matter in controversy.

III.

The names and addresses of members of defendant county society who during the period January 1, 1936, to the date of the filing of the complaint herein served as

officers of O.S.M.S. or as members of the Council or House of Delegates of O.S.M.S. appear in the minutes of the Council of O.S.M.S. or in the list of members of the
207 House of Delegates of O.S.M.S. heretofore furnished by defendant to plaintiff.

IV.

During the period January 1, 1936, to the date of the filing of the complaint herein, the following members of defendant served as Trustees of A.M.A., to-wit:

Dr. Ralph A. Fenton	1935 to 1945
Dr. John H. Fitzgibbon	1945 to date

Defendant has information indicating that various members of defendant served as delegates from O.S.M.S. to A.M.A. House of Delegates during the period in question but does not have specific evidence as to the names and dates of service. Defendant believes that such information is available from the minutes or other records of O.S.M.S. which have heretofore been made available to plaintiff. Defendant does not know which members of defendant served on other committees or bureaus of A.M.A.

V.

Defendant is informed that John H. Fitzgibbon, one of its members, served on the National Physicians Committee during the period 1942 to 1947.

VI.

Defendant has no knowledge of any members of defendant having attended meetings of the National Conference on Medical Service during the period January 1, 1936, to the date of the filing of the complaint herein.

VII.

Prepaid medical care plans approved by this defendant appear in the minutes of this defendant heretofore delivered to plaintiff. Insofar as is known to this defendant, no plans for the sale or furnishing of prepaid medical care have been formerly disapproved by it. However, as appears from information being furnished plaintiff
208 (see answer to interrogatory number 9), methods of operation by certain prepaid medical care concerns were inferentially disapproved by defendant society as follows:

Prudential Hospital Association	September, 1936
National Hospital Association	At various times during the years 1936-1940
Industrial Hospital Association	November, 1936
C. H. Weston Company	November, 1937
Pumphrey Company	July, 1937

Further information called for in interrogatory 7 appears from the information submitted to plaintiff in answer to interrogatory number 9.

VIII.

Assuming that this interrogatory does not refer to physicians ceasing to be members of defendant by reason of non-payment of dues, removal or retirement from practice, or for reasons personal to the member, all information regarding resignation of members is contained in the information submitted in answer to interrogatory number 9.

IX.

There is being submitted to plaintiff simultaneously with the service upon plaintiff of these answers, a detailed statement which fully answers interrogatory number 9. While submitted to plaintiff, said detailed statement is not being filed as a part of these answers, but is available for presentation to the Court, and defendant will present it to the Court if requested.

X.

The names and addresses of all members of defendant who were expelled from defendant and also the names of those who were restored to membership during the period of time specified in interrogatory number 10 are contained
in the detailed statement referred to in the answer
209 to interrogatory number 9. As appears from said
detailed statement, seven members of defendant society have been expelled during said period of time and two members suspended, and of these nine, four were reinstated to membership.

XI.

Simultaneously with the service of this answer upon plaintiff, there is being delivered to plaintiff a list of the names and addresses of all doctors who applied for but

were not granted membership in defendant county society during the period January 1, 1936, to the date of the filing of the complaint herein. Said list is not being filed as a part of this answer but is available for delivery to the Court, if requested.

XII.

No medical or surgical fee schedule has been adopted or recommended by defendant county society, or by any committee, board or bureau thereof, during the period January 1, 1936, to the date of the filing of the complaint. Any fee schedules recommended by O.S.M.S. to M.C.M.S. appear in answers to interrogatories to O.S.M.S.

XIII.

Defendant has no means of ascertaining the names of physicians who were members of staffs of Oregon hospitals during the period January 1, 1936, to the time of the filing of the complaint herein. However, defendant does believe that no physician has been excluded from the staff of any Oregon hospital because of his association or connection with any prepaid medical plan.

XIV.

There is no organizational relationship between defendant county society and *Northwest Medicine.*

210 (a) The names and addresses of any officers, directors, trustees, editors or other officials of *Northwest Medicine* who during such time were members of defendant society, together with the office held by each and his period of service in such office, are as follows:

Board of Trustees

Karl H. Martzloff	Portland	1936 to date
A. G. Bettman	Portland	1936-1937
Goodrich R. Schauffler	Portland	1936-1945

Editors, Oregon Section

Charles P. Wilson	Portland	7-1-39 to 11-30-42
Rachel C. Sparks	Portland	12-1-42 to 10-31-43
Gordon B. Leitch	Portland	6-1-44 to date
Adalbert G. Bettman	Portland	1-1-36

Assistant Editors

Morris L. Bridgeman	Portland	1-1-36 to 9-6-41
John R. Montague	Portland	9-6-41 to 9-11-42
Thomas R. Robertson	Portland	9-11-42 to 9-3-44
Thomas S. Saunders	Portland	9-3-44 to 9-6-47
Werner E. Zeller	Portland	9-6-47 to date

(b) Subscription to *Northwest Medicine* is not included with membership to defendant society.

XV.

(a) Bulletin Multnomah County Medical Society

(b) Portland, Oregon

(c) 1939-1946

(1) Semi-Monthly—October through May

(2) 1947 to date—Monthly

XVI.

1936	December 31	396	
1937	"	423	
1938	"	436	
1939	December 31	466	
1940	"	481	
1941	"	491	
1942	"	480	
1943	"	382	(Approximate)
1944	"	402	"
1945	"	460	"
1946	"	495	
1947	"	584	
1948	"	634	

XVII.

The following organizations, to-wit: Multnomah Industrial Health Association, Multnomah Medical Service Bureau and Oregon Medical Service Bureau, were independent corporations and defendant does not have sufficient information to give a list of the officers, directors, trustees or other officials of said organization during the period January 1, 1936, to the date of the filing of the complaint herein.

XVIII.

Approval, if any, of the Multnomah Industrial Health Association, Multnomah Medical Service Bureau and Oregon Medical Service Bureau, appears in the minutes of M.C.M.S. together with the dates of such approval and the counties in Oregon as to which such approval applied. The defendant has already made available to plaintiff the minutes of the society out of which such information can be obtained.

XIV.

Defendant does not know the date of dissolution of Multnomah Industrial Health Association, nor whether said association was absorbed into or superseded by a successor organization, but believes it was not.

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XX.

Any decision with respect to dissolving Multnomah Industrial Health Association was made by the stockholders of that corporation. Any action taken by this defendant with respect to superseding Multnomah Industrial Health Association appears in the minutes of this defendant heretofore delivered to plaintiff. As far as is known to defendant, any such action or decision was not a result of any report prepared by Dr. Karl Martzloff as Chairman of any committee.

XXI.

Answering defendant does not know who proposed or sponsored the 1936 amendment to the By-Laws mentioned in interrogatory 21. Upon inquiry of officials of answering defendant, it appeared that no one knew that such an amendment had been adopted. Such amendment was never placed in effect, even though it may have been adopted by answering defendant. The By-Laws and Constitution of Multnomah County Medical Society were completely revised in December, 1937, and the amendment mentioned in the interrogatory was not included in such revision. The mentioned amendment is not still in force, and to the best of the knowledge of answering defendant it was never in force. The purpose of such an amendment appears on the face of the amendment, which amendment the government has copied from the minutes of the answering defendant. It further appears in said minutes that all the members of the Council voted for such amendment on May 5, 1936, except Dr. Tharldsen.

XXII.

Defendant has no information about any "Intercounty Council" or its purposes or functions or the names and addresses of any of its members who served upon such an "Intercounty Council".

213 XXIII.

Defendant knows of no meeting of representatives of defendant with representatives of O. P. S. and Portland Council of Hospitals on January 31, 1944, or on February 3, 1944, or thereabouts. Defendant does not know of any minutes or records of such meeting.

MULTNOMAH COUNTY MEDICAL SOCIETY

By (Signed) CLYDE C. FOLEY
Executive Secretary

(Duly sworn to by jurat omitted in printing.)

Due and legal service of the within Answer by receipt of a duly certified copy thereof, as required by law is hereby accepted in Multnomah County, Oregon, on this day of May, 1949.

HENRY L. HESS, UNITED STATES ATTORNEY

By (Signed) PHILIP MARCUS
Of Attorneys for Plaintiff

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214 IN THE
UNITED STATES DISTRICT COURT

[FILE ENDORSEMENT OMITTED]

[TITLE OMITTED]

Order that Defendants Produce Documents

Filed June 10, 1949

Upon the annexed Affidavit of Philip Marcus attached hereto and made a part hereof, it is Ordered, that Defendants produce and make available to Plaintiff's counsel the following documents:

1. A letter from Dr. Ross Eaton, Secretary of the Clackamas County Medical Society, requesting information as to whether the members of that society should refuse to per-

form services for hospital associations. Also the reply to this letter sent under instructions from the Executive Committee in which Dr. Eaton was informed that his society need take no further action in the situation set forth in his letter until the Council had made further pronouncements on the subject of contract practice. Both the letter and the reply are referred to in the April 1936 meeting, Proceedings of the Council, Oregon State Medical Society.

2. A letter from Dr. Hunt, Councilor for the Third District, to Dr. Watts requesting that, as a representative of the Council, he address a meeting of the Central Willamette Medical Society at Eugene on Thursday, April 2nd, to which all members of the state society in the Third District had been invited, on the subject of unethical contract practice. The letter was read at the April 1936 meeting, Proceedings of the Council, Oregon State Medical Society.

3. A letter from Dr. Sweeney, Councilor for the Fourth District, stating that he had addressed meetings of the members of the society in Grants Pass, Roseburg, Coquille and Marshfield, concerning the activities of the society and the recent pronouncements of the Council regarding contract practice. This letter was read at the April 1936 meeting, Proceedings of the Council, Oregon State Medical Society.

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4. Report of Dr. Karl Martzloff, Chairman of the Committee on Malpractice, on the agreement with the Metropolitan Casualty Insurance Company. The port was adopted in Proceedings of the Council, Oregon State Medical Society, December 4, 1943.

5. Report of the Annual Conference of Secretaries of Constituent State Medical Associations held at Chicago on November 19th and 20th. The report is referred to in Proceedings of the Council, Oregon State Medical Society, December 4, 1943.

6. A copy of a letter from the Council on Medical Service and Public Relations of the American Medical Association and statement of general policies of this Council. These were read during the Proceedings of the Council, Oregon State Medical Society, December 4, 1943.

7. Proposal for a cooperative agreement between the Oregon Physicians' Service and the Northwest Hospital Service Plan as well as the letter received by Dr. Besson from Northwest Hospital Service Plan rejecting this proposal. Both of these are referred to in the Proceedings of the Council, Oregon State Medical Society, February 5, 1944.

8. Paper presented by John H. Fitzgibbon, as part of a panel discussion on "The Future of Medicine" before the Medical society of the District of Columbia. This was referred to in the Proceedings of the Council, Oregon State Medical Society, November 4, 1944.

9. Report of the Annual Conference of Secretaries and Editors of Constituent State Medical Societies held in Chicago, November 17th and 18th, 1944 made by Dr. Garnjobst. This report is referred to in the Proceedings of the Council, Oregon State Medical Society, January 6, 1945.

10. All issues, since 1936 or its inception, of "The Bulletin" of the Multnomah County Medical Society, of the "Service Bulletin" and of the State News Bulletin. These publications are referred to in Proceedings of the Council, Oregon State Medical Society, February 3, 1946.

216 11. Letter from State society referred to in the meeting of Clackamas County Medical Society, December 20, 1944.

12. Preliminary Reports #2 and #3 of Committee on Medical Economics of Oregon State Medical Society. This is referred to in the Proceedings of the Council, Oregon State Medical Society, April 2, 1938.

13. A signed original or a true copy of the actual agreement between the Council of the Multnomah County Medical Society and the Oregon Physicians' Service. A proposed Memorandum of Understanding is referred to in the Minutes of the Regular Meeting of the Council of the Multnomah County Medical Society, July 7, 1942.

14. Letter from R. W. Nelson, Acting Chairman of the Portland Council of Hospitals, addressed to the Oregon Physicians' Service on the subject of Oregon Physicians' Service's operating the proposed hospital at Vanport. This is referred to in the minutes of the Regular Meeting of the Council of the Multnomah County Medical Society, March 2, 1943.

15. Communication from the Secretary of the Oregon State Medical Society in regard to the national defense program and concerning the C. H. Weston Company. This letter is referred to in the Minutes of the Regular Meeting of the Clatsop County Medical Society, November 8, 1940.

16. Letter to the Clatsop County Medical Society from the Manager of the Oregon Physicians' Service concerning

the signing of the Clatsop County Bar Pilots' Association as well as the answer to this letter by the Clatsop County Medical Society. Both are referred to in the Minutes of the Clatsop County Medical Society, April 8, 1946.

17. Minutes of the special meeting at which a modification of the previous resolution concerning contract medical care was endorsed by those members present, and a copy of that "previous resolution" as well as a copy of that resolution as modified. All of these are referred to in the Minutes of the Regular Meeting of the Clatsop County Medical Society, October 13, 1939.

18. Report of Dr. Wilson, Chairman of the Committee on School Health, on the insurance plan for injured high school athletes on a "free choice" of physician basis.

217 Report of Dr. Payne, Chairman of the Committee on Plans of Medical Care for Low-Wage Industrial Groups including a report by Dr. Jones, who had been working on problems relating to pharmacy.

Letter and resolutions received from the Oregon State Pharmaceutical Association and the Portland Retail Druggists' Association with respect to a controversy which exists between these organizations and the Multnomah Medical Service Bureau.

All of these documents referred to in paragraph 20 discussed at the Special Meeting of the Council of the Multnomah County Medical Society, August 23, 1939.

19. Mimeographed copy of the report of the Committee on Industrial Practice with a copy of the fee schedule. This is referred to on page 2 of the Minutes of the Regular Meeting of the Clatsop County Medical Society June 9, 1939.

20. Communication received from John J. Coughlin concerning selling of individual contracts by the N. H. A. in Clatsop County. This is referred to in the Minutes of the Regular Meeting of the Clatsop County Medical Society, May 10, 1940.

21. Report of the Grievance Committee concerning the activities of certain members, in association with certain non-members, in offering a plan of prepaid medical service to employee groups and their families. This is referred to in the minutes of the Council, Multnomah County Medical Society, March 31, 1942.

22. Letter to Oregon Physicians' Service approving contract between Oregon Physicians' Service and the Bar

Pilots Association. This letter is referred to in the minutes of the Clatsop County Medical Society, December 2, 1946.

23. Letter from the California-Oregon Power Co. read to the members at the regular meeting of the Jackson County Medical Society, October 8, 1941.

24. Letters read from the National Hospital Association, American Federation of Labor and Insurance Company at the regular meeting of the Jackson County
217 Medical Society, February 9 (?), 1944.

25. Minutes of the previous meeting of the Council of Lane County Medical Society, October 11, 1948. This is referred to in the minutes of the meeting of the Lane County Medical Society, October 12, 1948.

26. A letter from Harvey A. Wood, Secretary of the Jackson County Medical Society, and two resolutions enclosed with that letter, referred to in the Minutes of the Oregon State Medical Society, November 13, 1937.

It is further Ordered that a copy of this order be served upon counsel for defendants.

(Signed) CLAUDE McCOLLOCH

Claude McColloch
District Judge

June 10, 1949.

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219 IN THE
UNITED STATES DISTRICT COURT

[TITLE OMITTED]

Affidavit of Philip Marcus

Philip Marcus, being duly sworn, deposes and says, that he is one of the Counsel for the plaintiff in the above entitled case.

During the course of proceedings before this Court on May 27, 1949, the Court stated, "What I want you to do now, between now and Tuesday, Mr. Marcus, is to list up these fifteen or twenty or more things that you have been referring to and give your opponents a copy of it, and I will expect them to dig them up right away, if they have them." (Tr. P. 27)

The undersigned prepared a list of such documents and submitted such list to defendants' counsel. Defendants'

counsel have requested a formal order be entered requiring production of such documents, and this Court has directed that such order be made. This affidavit is made in support of such order.

Wherefore deponent respectfully asks that the attached order be entered.

(Signed) PHILIP MARCUS

Philip Marcus
Attorney for plaintiff

Subscribed and sworn to before me this 9 day of June. 1949.

(Signed) BERT C. BOYLAN
Notary Public for Oregon
My Commission Expires May 9, 1953

(Seal)

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220 IN
UNITED STATES DISTRICT COURT

[TITLE OMITTED]

Excerpts From Transcript of Proceedings of March 28, 1949

Portland, Oregon
March 28, 1949
A. M.

Before:

HONORABLE CLAUDE MCCOLLOCH,
Judge.

Appearances:

MR. HENRY L. HESS, *United States Attorney*

MR. CHARLES WHITTINGHILL and MR. J. J. MULVEY, *Attorneys*, Seattle Office, Anti-Trust Division, Department of Justice, appearing on behalf of Plaintiff.

Appearing on behalf of Plaintiff.

MR. NICHOLAS JAUREGUY and MR. JOHN J. COUGHLIN, of *Attorneys for Defendants*, appearing in their behalf.

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Mr. Jaureguy: Your Honor, in this case I will confess I had to acquaint myself quite a lot with the law,

and I think that is one point Counsel and I will agree on; sometimes it takes a whole day to thoroughly digest one or two cases.

But, passing to the other subject, Mr. Coughlin has been the attorney for the Oregon State Medical Society for many years. He is rather well conversant with a lot of things that I do not know anything about except second-hand from him.

The Court: But does he know what the operation has been, the operations conducted here?

Mr. Coughlin: I know considerable about it, your Honor. There was a period, of course, of three or four years of which I know nothing.

The Court: You were away at war. Did you rep-
254 resent them before the war?

Mr. Coughlin: Yes, sir.

The Court: How far back does your representation run?

Mr. Coughlin: I believe my first contact with the Oregon State Medical Society was back about 1936.

The Court: Have you always been associated with your present firm?

Mr. Coughlin: No, sir.

The Court: Were you with your present firm at that time?

Mr. Coughlin: No, sir, I was not. As I recollect it, I was with Estes Snedecor at that time.

The Court: Estes Snedecor.

Mr. Coughlin: It was just about that time, just a little before the time I became connected with the State Society.

The Court: When did you go to your present firm?

Mr. Coughlin: In the year 1940. I practiced by myself—

The Court: For four years you had this account as your individual account?

Mr. Coughlin: Yes.

The Court: But you feel you do have the usual familiarity that a lawyer has. Were you on retainer during this time?

Mr. Coughlin: No, I don't think I was ever on retainer. As I recall, I don't believe I was ever on a retainer.

The Court: But you do feel familiar with their practice?

Mr. Coughlin: I feel generally familiar with their practice;

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The Court: This is not idle chatter. It may sound like it, but I am trying to get a feel of these things, and I will have to talk it over with you lawyers, to start out with.

Mr. Coughlin, you probably were convinced some of these things were lawful which it now seems are unlawful.

Mr. Coughlin: There may be something to that, your Honor.

Mr. Jaureguy: I don't know whether your Honor wants me to read the rest of these or not.

The Court: Time won't permit it this morning, but we will have a formal hearing on the objections. We will have to have. When do you expect to file those objections?

Mr. Jaureguy: I take it, tomorrow morning we are going to trial in the admiralty case?

The Court: That is what I heard.

Mr. Jaureguy: It may take longer than I anticipated.

The Court: Do you think that admiralty case will take a week?

Mr. Jaureguy: I would rather think so. It may be possibly toward the end of the week.

The Court: Then it will probably be a week from Monday before you can get in here formally on these objections, a week from next Monday.

Mr. Jaureguy: I don't think I would want to as-
260 sure the Court and counsel that I would have the objections ready before close to the end of this week.

The Court: All right. What we will do, we will set them down for hearing for a week from next Monday. That will allow you time enough.

Mr. Jaureguy: April 11th?

The Court: I believe that is right, yes.

Mr. Jaureguy: Your Honor set the pre-trial for the 18th.

The Court: I think I had the idea that both sides want action, and I can only make my contribution to that end.

Mr. Jaureguy: Mr. Coughlin does not recall—Maybe your Honor does—about anything our side may have communicated to the Court that we wanted action. I do not mean to dispute your Honor's statement, of course.

The Court: You were certainly here when—What's his name—was. I forget the gentleman's name. Browning, a very fine young gentleman. They seemed to think we should not let it drag around.

Honor asked Mr. Coughlin—I am not sure that I understood it—and that is whether or not this lawsuit takes in or attacks all of these organizations.

The Court: That is what I was getting at.

Mr. Jaureguy: I take it your Honor meant only to refer to the doctor-sponsored organizations and not to the private organizations.

The Court: I am looking for information. I don't
261 know much about it.

Mr. Jaureguy: The only reason I bring it up is so your Honor will understand this is only a suit against the medical society and the OPS, which is largely sponsored by the State Medical Society, and the county medical societies, and does not include the Industrial, National or any of these private organizations.

The Court: The doctor-sponsored organizations you said in your statement this morning was competitive with the others.

Mr. Jaureguy: Oh, yes.

The Court: I had a juror here a couple of weeks ago, and when I was qualifying him, to find out who he was, as we always do, you know, he said he was manager of the hospital association at Salem and I said, "Well, you are one of those that the Government is suing." I thought the question had some pertinence in a criminal case. We always try to develop the relations of our jurors with the Government. That is why I asked him about that. He said no, he was on the Government's side.

Mr. Jaureguy: That is right.

The Court: On the Government's side of the anti-trust case, so I take it this is a fight between the Government, with the aid of other organizations, against the doctors' organizations. Is that what it is?

Mr. Jaureguy: I would not quite put it that way, your Honor.

The Court: Between the Government, with the
262 aid of non-doctor organizations against the doctor organizations?

Mr. Jaureguy: No, I wouldn't quite put it that way. I am not a wisecracker, but I think it is a fight between the non-doctor organizations with the aid of the Government and the doctor organizations.

The Court: All right. That is the kind of talk we like to hear in order to know what it is all about.

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273 UNITED STATES DISTRICT COURT

[TITLE OMITTED]

Excerpts From Transcript of Pre-trial Proceedings of May 2, 1949

Portland, Oregon
May 2, 1949
A.M.

BEFORE:

Honorable Claude McColloch, *Judge*

APPEARANCES:

Mr. Henry L. Hess, United States Attorney.

Mr. Philip Marcus, Special Assistant to the Attorney-General.

Mr. C. L. Whittinghill, Chief, Seattle Office, Anti-Trust Division.

Mr. J. J. Mulvey, Attorney, Seattle Office, Anti-Trust Division.

Mr. G. G. Galassi, Attorney, Seattle Office, Anti-Trust Division.

Mr. Nicholas Jaureguy (Cake, Jaureguy & Tooze) and Mr. John J. Coughlin (Griffith, Peck, Phillips & Nelson), Attorneys for Defendants.

Also Present:

Mr. E. S. Emmons, appearing in behalf of certain Petitioners.

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Mr. Coughlin: The Council is the executive body of the Society. All committees and so forth of the Society are appointed by the Council, and they are in the Council minutes, and the FBI has been advised about that. They have been made available to them, and they have made photostatic copies.

There is a reason why we objected and took exception to answering this interrogatory, as well as the other ones, saying that the task of doing that was too burdensome, and irrelevant and so forth. Instead of us giving them all the

names of all of these committess and so forth, the Council minutes were made available to them for that purpose.

The Court: Do they contain the information?

Mr. Coughlin: They contain all the information there is of all committees of the Oregon State Medical Society, as all committees of the Society, boards, bureaus and so forth, were appointed by the Council. They appear right in the Council minutes.

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Mr. Coughlin: First of all, if the names of the Council members do not appear in the minutes, they do not appear anyplace, as far as that is concerned. Those are the official records of the Society.

The second thing is that I think the FBI did have or the Government has copies of Northwest Medicine for a period of years since 1936, and the names of officers of the Society appear in there, I think the FBI did have or has had access to a bulletin of the Multnomah County Medical Society containing a complete list of officers.

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The Court: The top of the Page 6 of the first
327 document reads: "Appeals from disciplinary action taken by a county medical society for violation of its code or principles of ethics are taken through the OSMS—"

Mr. Marcus: That word should be "from,"—"from" rather than "by."

The Court: "—taken from a county medical society for violation of its code or principles of ethics are taken through OSMS, and then, as a matter of last resort, to the Judicial Council of AMA which has final appellate jurisdiction."

Are you familiar with that, Commander, that procedure?

Mr. Coughlin: I think in substance that is correct, your Honor.

The Court: Commander Coughlin told us at an earlier hearing that he has been counsel for a good many years for the Oregon State Medical Society, so, in a sense, you are challenging here some of his work.

What happens to a doctor? The same thing as to a lawyer? He is disbarred?

Mr. Coughlin: No, your Honor. The Oregon State Medical Society and the county medical societies are purely voluntary organizations, comparable you might say to the American Bar Association. The physicians of the state are

licensed by the Board of Medical Examiners, and the societies have no connection at all with the Board of Medical Examiners.

The Court: So, any disbarment proceedings, if
328 that is what you call them, or trial is by the Board of Medical Examiners?

Mr. Coughlin: Yes, your Honor.

The Court: What is the disciplinary action that these county societies can take and do take?

Mr. Coughlin: The disciplinary action is, in substance—The ultimate disciplinary action would be expulsion from the county medical society, which is a voluntary—

The Court: From the society?

Mr. Coughlin: From the voluntary society, yes, your Honor.

The Court: Of course, that would not only give a physician a bad name but would block him from hospitals—

Mr. Coughlin: No, sir; neither of those things follow.

The Court: They charge it.

Mr. Coughlin: That is what they charge, but that does not make it necessarily true. Neither of those things follows, as a matter of practice.

The Court: I should think the first one would certainly be true. A man's professional name would be damaged if he were barred from the medical society.

Mr. Coughlin: Of course, it depends on a lot of things, your Honor. First of all, it depends upon whether or not he wants to broadcast his expulsion, because the society does not broadcast it. It would be through his putting it in the paper, "I am no longer a member of the society,"

but the society does not broadcast it. As to the
329 second thing, it makes no difference at all in practices. Regardless of what his figures are, at the time this conspiracy is alleged to have started, only about 60 per cent of the doctors in the state belonged to the Society, so it is not necessarily a wonderful thing to belong to a county society or the State Society.

Mr. Marcus: Although it is not an essential part of our case, we are going to show, I think—We will attempt at least to show—that expulsion from these societies results in very serious professional and economic consequences, as far as disciplinary action is concerned.

The Court: How about the hospitals? Some reference has been made to hospitals.

Mr. Marcus: Yes, your Honor. On that issue we will offer to prove there are effects, economic effects, and I think per-

haps one readily comes to mind—The mere fact that these county medical associations have been carrying on scientific discussions. Doctors who are famous for some specialty are invited to appear at these society meetings and speak on their specialty, and of course if you are a member of the society it means one thing, and if you are an expelled member, an ex-member of the society, it means another thing, in order to get the benefits of the purely medical activities carried on by a society.

The Court: Well, what is the membership now?

Mr. Coughlin: I am not certain of the figure, but my recollection is 78 per cent.

330 Mr. Jaureguy: 70 some.

Mr. Coughlin: My recollection is that 78 per cent of the doctors now belong to the Oregon State Medical Society.

The Court: I suppose there are about the same number of doctors in the state as there always has been.

Mr. Coughlin: I think about 1500, your Honor. That is my recollection.

The Court: How many in the Multnomah County Society?

Mr. Coughlin: I think about 600 or 700.

The Court: I won't detain you much longer. I have got to go myself. I see why 1941 is the breaking point. OPS was organized and incorporated in December—December 6, 1941. You were talking about pre-1941 and after 1941.

Mr. Jaureguy: That is one of the reasons why it is important.

The Court: State your point again. What was your point about 1941?

Mr. Jaureguy: The point of the Government's contention, expulsions took place mostly in 1936 and 1937. Those expulsions were, regardless of their view, of doctors that were more or less in the same position, and several of them resigned, but it was long before 1941.

The Court: Those expulsions were because of participation in these various prepaid medical associations and the like?

Mr. Jaureguy: Two of the so-called hospital associations were conducting their affairs in a manner which was
331 absolutely contrary to the code of ethics, and the doctors in Multnomah County felt it was a very improper manner in which they were being conducted, and the doctors against whom proceedings were brought before the Grievance Committee, rather, were actively cooperating with these particular hospital associations.

I might say, along the line of counsel's contention, one of the principal ones, whom I will call the ringleader, recently passed away, and he worked at St. Vincent's Hospital ever since his expulsion, and the doctors in Portland here raised a memorial fund. He was more active than either of the other doctors, as far as that is concerned.

The Court: He was expelled, turned out?

Mr. Jaureguy: He was not expelled, but just before the Council was to act on it he handed in his resignation, and his relations with members, with doctors in Multnomah County after that and prior to that were very cordial, very friendly, and it did not affect the relationship.

The Court: Is that what this case is going to be? Are we going to wash all of the old dirty linen over the last thirteen years?

Mr. Marcus: There is going to be a lot of linen to be washed, your Honor.

Mr. Jaureguy: Anyway, going back to your Honor's question, whenever I refer to societies—

The Court: Is this gentleman going to be one of
332 your main witnesses?

Mr. Marcus: I don't think so, your Honor.

The Court: The FBI agents will be among your witnesses, no doubt.

Mr. Marcus: At this stage I am unable to say, except I would say this, your Honor: In the ordinary course of events, no.

Mr. Jaureguy: The medical societies have been, even prior to 1936, conducting a rather extensive and scientific study of prepaid medical care. There was rather a strong feeling among doctors—It was not unanimous by any means, but there was a strong feeling that something ought to be done about low-cost—about medical care for low-income groups, and that culminated eventually, among other things, in the organization of OPS. That just happened to be incorporated in 1941 and I think by the end of 1942 it was going pretty well, and since that time it has been a matter of the OPS competing with the commercial hospital associations—OPS and some county organizations where they had their own prepaid medical plan. There were other reasons, perhaps, but less important, in addition to the fact that, for various reasons— I can go into some of them now, the important ones.

These hospital associations ceased some of the practices that were more or less—that were the most offensive. For

instance, they would have two or three doctors on a
333 salary that they, in Portland, would send patients to from all over the state, when they would have special small panels in various cities, and OPS came into existence. After OPS came into the picture, OPS had these panels consisting of most of the doctors in the state.

Then there was another development about the same time along an entirely different line, in our economic history, and that was the labor unions.

In 1936 the National Hospital Association, in order to get a certain industry or a certain factory, would go to the employer and dicker with the employer, but since about early 1940 the unions have taken over this matter of collective bargaining, and the unions have meetings and they decide whom they want. Under OPS' system of having an open panel, every employee, every member of the union would know that he could go to the doctor he had been going to theretofore, his family doctor. That was a good selling point and that, and other reasons, resulted in the National and Industrial making provision in their contracts so that a man could go to any doctor he wanted to. That was one of the things that objections have been made to.

I do not claim I have made an exhaustive investigation, but I do certainly claim I have done a lot of talking about it and a lot of reading, and I don't think you will find any other expulsions since 1941. They have three or four
334 listed together, these expulsions and others, but you will find them all in 1936 and 1937, I believe, along in there.

The Court: Were there any in 1940?

Mr. Jaureguy: I don't think so.

The Court: Any that slopped over?

Mr. Jaureguy: No, there were no slop-overs. They were just misinformed; I will say that. For these reasons, the picture in the last few years has been considerably different from the picture in 1936 and 1937.

The Court: Of course, everybody has been getting rich. There is no doubt as to all the hospital associations they have been paying themselves large salaries.

Mr. Jaureguy: That is the contention that they make. They are alleging coercion, that coercion has hamperd the commercial hospital associations and almost driven them out of business. I have here in my file a memorandum of the total income received in this state. I can't give you the exact figures now, but there has been a tremendous growth by the commercial hospital associations, and those that we